

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION

P.O. BOX 88

JEFFERSON CITY, MISSOURI

May 27, 2005

MEMORANDUM**What's Inside:**

*Policy Change in Adoption Subsidy and Subsidized Guardianship.

* Use of Means Testing in Determination of Eligibility for Subsidized Maintenance Payments.

TO: REGIONAL EXECUTIVE STAFF, CIRCUIT MANAGERS AND
CHILDREN'S DIVISION STAFF

FROM: FREDERIC M. SIMMENS, DIRECTOR

SUBJECT: POLICY CHANGES IN ADOPTION SUBSIDY AND SUBSIDIZED
GUARDIANSHIP MAINTENANCE PAYMENTS

REFERENCE: CHILDREN'S DIVISION

DISCUSSION:

The purpose of this memorandum is to introduce policy revisions to the adoption subsidy and subsidized guardianship programs. Policy manual revisions will be forthcoming. Staff are to consider this memorandum policy until the policy manual revisions are completed and dispersed as the law goes into effect August 28, 2005.

Non Title IV-E Agreements:

The revisions in this policy apply to current, as well as new, non Title IV-E agreements that are negotiated by workers effective September 1, 2005.

The 93rd General Assembly recently passed and Governor Blunt signed into law Senate Bill 539 which states that **"subsidy shall only be granted to children who reside in a household with an income that does not exceed two hundred percent of the federal poverty level or are eligible for Title IV-E adoption assistance."** This legislation goes into effect on August 28, 2005. However, the budget that has been given to the Governor by the House of Representatives and the Senate proposes to allow the Children's Division to use 250% of the federal poverty guideline as the comparison for FY 2006. This figure is subject to veto or approval by the Governor as he reviews the budget.

This legislation applies **only** to the maintenance portion of the adoption subsidy and subsidized guardianship agreements. Effective September 1, 2005, all maintenance payments that are being made on non title IV-E adoption subsidy cases and all subsidized guardianship cases will be subject to a means test to determine continued eligibility for a maintenance payment.

Current agreements for non title IV-E adoption subsidies and subsidized guardianship cases are being extended until August 31, 2005. A letter has been issued to families regarding these contracts, notifying them of this extension. The intention of the Children's Division in making this extension is for the purpose of applying the means test to existing contracts prior to the August 31, 2005 termination date. **This initial determination of eligibility for maintenance payments will be made in Central Office. After the September 1, 2005 effective date the means test will be completed at the local office as part of the application during the negotiation process of adoption and guardianship subsidy and service agreements.**

In the time period between receipt of this memo and August 31, 2005, agreements with adoptive families for state only adoption subsidy and services and guardianship subsidy and services should be dated to expire August 31, 2005. Agreements with families for Title IV-E adoption subsidy and services should be dated until June 30, 2006.

Title IV-E Agreements:

It should be noted that Title IV-E adoption subsidy agreements are not affected by the legislative changes and as a result are being automatically extended until June 30, 2006. Families currently receiving subsidy funded through Title IV-E were sent a letter notifying them of the extension. Specific services listed on the attachments will need to be re-negotiated as they come due throughout the year.

All Agreements:

Any agreements negotiated for Title IV-E or non Title IV-E adoption subsidy and services or subsidized guardianship services and signed by the Director to be effective on or after September 1, 2005, are to be dated for a **maximum of one year**. Each year local staff will have to develop a new agreement with each family for their services to continue. Non IV-E and subsidized guardianship will require that the means test be applied each year as the new agreement is developed to determine eligibility for receipt of non Title IV-E adoption subsidy maintenance or subsidized guardianship maintenance payments.

However, if families are receiving child care for a child age 6 or over and the funding is not available that child care service will terminate under their current agreement effective July 1, 2005. This funding is also subject to the Governor's approval or veto as he reviews the FY 2006 budget. Staff will be notified if funding is not available by another memo.

CENTRAL OFFICE RESPONSIBILITIES:

Application of the Initial Means Test:

- Families of children whose adoption subsidy maintenance is non Title IV-E funded and all families receiving subsidized guardianship maintenance will receive notification of the necessity of a means test as well as the worksheet/application for maintenance. The worksheet/application gives them three options of 1) applying for non Title IV-E maintenance payments; 2) declining the application for the maintenance portion of the subsidy agreement; or 3) choosing to decline a new adoption subsidy and services agreement completely. If the family chooses to make application for maintenance and have

their eligibility determined for such, they do so by sending the completed worksheet/application and a copy of their most current federal tax return to Central Office, attention Amy Martin. In any case the form **must** be returned to Central Office attention Amy Martin at P.O. Box 88 Jefferson City, MO 65101, by **June 30, 2005**.

- After June 30, 2005 local staff will receive a list of families who have failed to return their worksheet/application indicating which option they are choosing. It will then be the responsibility of local staff to make contact with those families to explain the necessity for the worksheet to be received for services to continue, as their current contracts will expire on **August 31, 2005**.
- The means test will be applied using the family's total or gross income from the federal tax return in comparison to 250% of the federal poverty guideline. The law indicates 200% of the federal poverty guideline, however, the budget that has been given to the Governor by the House of Representatives and the Senate proposes to allow the Children's Division to use 250% of the federal poverty guideline as the comparison for FY 2006. This figure is subject to veto or approval by the Governor as he reviews the budget.
- Families making over 250% of the federal poverty guideline will be ineligible to receive a maintenance payment on children they have adopted or obtained guardianship for or for children for which they are pursuing adoptive custody or guardianship. Families making at or less than 250% of the federal poverty guideline will be eligible to receive a maintenance payment on children they have adopted or obtained guardianship for or for children for which they are pursuing adoptive custody or guardianship.

Central Office Issuance of New Contracts following Initial Means Test

- When the means test worksheet/application is completed by the family and returned to Central Office the means test will be applied as described or the family will be identified as having declined the application for the maintenance portion of the agreement.
- Families will be sent from Central Office the appropriate contract, for their signature, based on their determined eligibility.
- If the family is determined eligible to receive maintenance, a new contract including the current maintenance payment, as well as all other services for which the family continues to be eligible, as listed on the expiring contract, will be sent to the family. Any negotiation for new services should be handled in the local office.
- Families who decline the application for maintenance or are found ineligible will also be sent a new contract which includes all other services currently listed on their expiring contract.
- Families who decline an adoption subsidy and service contract completely will receive confirmation of our receipt of this notice via letter.

- When the family receives the new contract for their signature, they are to review and sign it and return it **by August 19, 2005** to Anne Gilbert, Contract Management, 615 Howerton Court, Jefferson City, MO 65109, for entry into the contracting system. A self-addressed stamped envelope will be included with the contract for this return.
- It is important to note that it is not necessary, in this initial means test application and contracting process, for anyone other than the family and the Children's Division Director to sign the agreement. This exception is being made because of the short amount of time allowed to complete this contract conversion and the need to prevent disruption in service to the families. However, if families do not return the signed contract **by August 19, 2005**, the contract will expire and payment for the services will end.

FIELD STAFF RESPONSIBILITIES:

- In the time period between receipt of this memo and August 31, 2005, agreements with adoptive families for state only adoption subsidy and services and guardianship subsidy and services should be dated to expire August 31, 2005. Agreements with families for Title IV-E adoption subsidy and services may be dated until June 30, 2006.
- After June 30, 2005 local staff will receive a list of families that have not returned their completed worksheet/application indicating which option they are choosing. It will then be the responsibility of local staff to make contact with those families to explain the necessity for the worksheet to be received for services to continue as their current contracts will expire on **August 31, 2005**.
- If during this process, the application or contract is received at the local office, the local office needs to immediately forward the application to Amy Martin or the contract to Anne Gilbert at the addresses listed above to prevent interruption of services to our clients.
- After the September 1, 2005 effective date, the means test will be completed at the local office as part of the application, during the negotiation process of non IV-E adoption and guardianship subsidy and service agreements. New contracts will be provided to field staff for this negotiation.
- Any agreements negotiated for non Title IV-E adoption subsidy and services or subsidized guardianship services and signed by the Director to be effective on or after September 1, 2005, are to be dated for a maximum of one year.
- Each year a new agreement will have to be developed as well as the means test applied to determine eligibility for receipt of non Title IV-E adoption subsidy maintenance or subsidized guardianship maintenance payments. It will also be necessary to develop a new agreement annually for Title IV-E adoption subsidy and services.

NECESSARY ACTION:

1. Please share this memorandum with all staff.
2. After September 1, 2005 means tests are to be applied in the local office as part of the application/negotiation process for non Title IV-E adoption subsidy and services agreements.
3. After September 1, 2005 Title IV-E and non Title IV-E adoption or guardianship subsidy and services agreements must be negotiated for a maximum of one year.
4. Questions regarding this policy should be sent to Central Office through normal supervisory channels.

FMS/AM: